

FUND 143

HOMEOWNER AND BUSINESS LOAN PROGRAMS

Agency Mission

The goal of the Homeowner and Business Loan Programs is to provide a means and opportunity for low- and moderate- income families to become homeowners in the County or to improve their current living space through repair, modernization, or subsidized rental. To eliminate health and safety code violations, to provide decent, safe and sanitary housing, to enhance the quality and appearance of existing housing, and to retain a supply of affordable housing.

Agency Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Expenditures:					
Operating Expenses	\$561,460	\$772,512	\$4,254,804	\$1,161,733	\$1,161,733
Total Expenditures	\$561,460	\$772,512	\$4,254,804	\$1,161,733	\$1,161,733

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2002 Advertised Budget Plan, as approved by the Board of Supervisors on April 30, 2001:

- The Board of Supervisors made no changes to the FY 2002 Advertised Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2001 Revised Budget Plan from January 1, 2001 through April 23, 2001. Included are all adjustments made as part of the FY 2001 Third Quarter Review:

- The Board of Supervisors made no adjustments to this fund.

County Executive Proposed FY 2002 Advertised Budget Plan

Purpose

Fund 143, Homeowner and Business Loan Programs, is comprised of three programs designed to meet the agency goal as detailed below:

- ♦ The Home Improvement Loan Program (HILP) provides loans to low- and moderate- income individuals to repair, modernize, or expand the living space for their families to help alleviate overcrowded conditions. Funds are also loaned to homeowners who are cited for health and housing code violations, and for replacement housing, if necessary. Grants are provided for low income elderly or disabled residents through the Elderly Home Repair Program to make needed repairs and provide for handicapped accessibility, to prevent displacement, and allow these individuals to live in safe and sanitary housing. County appropriated funds within the Homeowner and Business Loan Programs are used in conjunction with bank funds budgeted in Fund 945, Non-Appropriated Rehabilitation Loans, and Federal funding in Fund 142, Community Development Block Grant, to increase the assistance available to County residents.

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- ◆ The Moderate Income Direct Sales (MIDS) program is designed to provide affordable homeownership opportunities for low- to moderate- income families who otherwise could not afford to purchase a home. Established in 1978, these program funds second trust loans up to \$15,000. These loans are repaid when the home is resold. The second trust allows the sales price to be affordable to families who would not normally qualify for home ownership. As initially established, MIDS units acquired or constructed by the Fairfax County Redevelopment and Housing Authority (FCRHA) were sold to moderate income families, and the purchase was made possible by the provision of the second trust loans. The resale price of the unit is limited and the FCRHA has the first right of refusal when the home is resold.
- ◆ The Small and Minority Business Loan program was initiated in FY 1996. Fund 143, Homeowner and Business Loan Programs, was expanded to include the receipt of Federal funds for operation of the Small and Minority Business Loan program. The program provides loans to qualified small and minority businesses. Program funds are administered by the South Fairfax Regional Business Partnership, Inc. through an agreement with the Department of Housing and Community Development. Loan repayments from the business loans will be received as revenue in Fund 143, Homeowner and Business Loan Programs, and will be used to pay debt service on the Section 108 loans 7 and 8.
- ◆ Program income from the HILP and MIDS programs will provide direct loans as well as administrative support for the five positions that administer the programs, consistent with the business plan approved by the FCRHA and the Board of Supervisors.

FY 2002 Initiatives

- ◆ Provide loans to low-and moderate-income individuals to repair, modernize, or expand the living space for their families to help alleviate overcrowded conditions.

An amount of \$432,574 is included to support the Home Improvement Loan Program (HILP) in FY 2002. Expenditures are fully supported by program income that is anticipated to be received from loans made in prior years. The FY 2002 recommended funding level will provide \$22,000 to support the elderly home repair program, \$307,930 to provide for new rehabilitation loans, and \$102,644 to provide administrative support (staff costs are budgeted in Fund 940, FCRHA General Operating). The FY 2002 funding level represents an increase of \$59,695 from the FY 2001 Adopted Budget Plan based on anticipated revenue for FY 2002.

- ◆ Present affordable homeownership opportunities for low-to moderate-income families who otherwise could not afford to purchase a home.

An amount of \$556,791 is included in FY 2002 for the Moderate Income Direct Sales Program (MIDS). This funding will allow for retention of housing units in the program as turnover occurs during the year. No new MIDS units are funded in FY 2002. Of the total MIDS funding, an amount of \$148,552 will be used to support the administrative costs associated with the program (budgeted in Fund 940, FCRHA Operating). The FY 2002 funding level represents an increase of \$212,841 over the FY 2001 Adopted Budget Plan based on projected repayment receipts.

- ◆ Make available loans to qualified small and minority businesses.

An amount of \$172,368 is included in the Business Loan Program. Of this amount \$52,368 represents the FY 2002 debt service payment on the original \$1 million Federal Section 108 loan 7. The remaining amount of \$120,000 is included for the FY 2002 debt service payment projected on the original \$9.3 million Federal Section 108 loan 8. The expenditure is fully supported by the repayment of business loans.

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Funding Adjustments

The following funding adjustments reflect all approved changes to the FY 2001 Revised Budget Plan since the passage of the FY 2001 Adopted Budget Plan. Included are all adjustments made as part of the FY 2000 Carryover Review and all other approved changes through December 31, 2000.

- ◆ As part of the FY 2000 Carryover Review, the Board of Supervisors approved an increase of \$3,482,292 due to the carryover of unexpended program balances of \$3,296,678 and \$185,614 in unrealized program income in FY 2000. In Fund 143, Homeowner and Business Loan Programs, all unexpended balances automatically are carried forward to the next fiscal year to support recurring program costs.

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FUND STATEMENT

Fund Type H14, Special Revenue Funds

Fund 143, Homeowner and
Business Loan Programs

	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Beginning Balance	\$1,717,211	\$0	\$2,170,832	\$74,645	\$74,645
Revenue:					
Program Income (MIDS)	\$379,144	\$343,950	\$343,950	\$556,791	\$556,791
County Rehabilitation Loan Repayments	627,599	372,879	372,879	432,574	432,574
Business Loan Program	8,338	55,683	1,441,788	172,368	172,368
Total Revenue	\$1,015,081	\$772,512	\$2,158,617	\$1,161,733	\$1,161,733
Total Available	\$2,732,292	\$772,512	\$4,329,449	\$1,236,378	\$1,236,378
Expenditures:					
Rehabilitation Loans and Grant Water Extension and Improvement Projects	\$412,271	\$372,879	\$1,656,287	\$432,574	\$432,574
Moderate Income Direct Sales Program (MIDS)	113,733	343,950	1,179,825	556,791	556,791
Business Loan Program	35,456	55,683	1,365,825	172,368	172,368
Total Expenditures	\$561,460	\$772,512	\$4,254,804	\$1,161,733	\$1,161,733
Total Disbursements	\$561,460	\$772,512	\$4,254,804	\$1,161,733	\$1,161,733
Ending Balance	\$2,170,832	\$0	\$74,645	\$74,645	\$74,645